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March 10, 2014

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

**Re:** *Connect America Fund, et al.*  
WC Docket No. 10-90

Dear Ms. Dortch:

On March 7, 2014, Alex Phillips, Matt Larsen (by telephone) and the undersigned counsel, representing the Wireless Internet Service Providers Association ("WISPA"), met with Commissioner Michael O'Reilly and his Wireline Legal Advisor Amy Bender to discuss issues related to the Connect America Fund, the rural broadband experiment program and the Remote Areas Fund.

The WISPA representatives reviewed the attached presentation. They emphasized the need for Commission rules to be adopted and applied in a technology-neutral manner that affords providers of fixed wireless broadband services a fair opportunity to participate in the rural broadband experiment program and the Remote Areas Fund.

Pursuant to Section 1.1206 of the Commission's Rules, this letter is being filed electronically via the Electronic Comment Filing System in the above-captioned proceeding.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Stephen E. Coran', is written over the typed name.

Stephen E. Coran

Enclosure

cc: Commissioner Michael O'Reilly  
Amy Bender

# Fixed Wireless Broadband: Promoting Cost-Effective Service to Rural Americans

March 7, 2014

[www.wispa.org](http://www.wispa.org)



# About WISPA

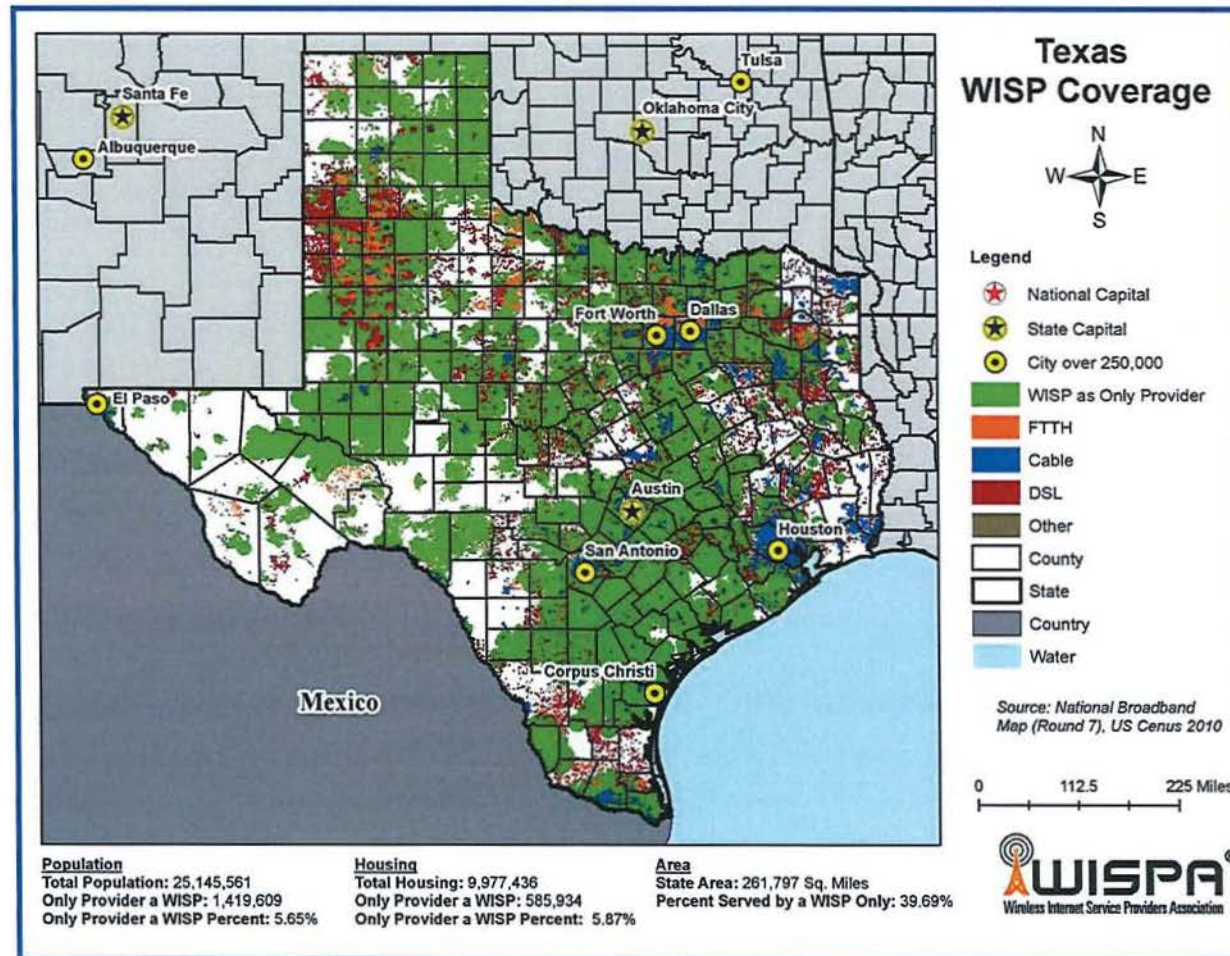
- Founded in 2004 by small group of WISPs
- Today
  - 800 members . . . and growing
  - Two annual trade shows
  - Increasing commitment to advocacy and member services

# What is a WISP?

- Typically . . .
  - Based in rural communities and small towns with little or no choice of broadband provider
  - Community and customer focused
  - A few hundred to several thousand customers per WISP
- WISPs serve approximately 3,000,000 total customers
- WISPs primarily use cost-effective unlicensed 900 MHz, 2.4 GHz and 5 GHz bands and “lightly licensed” 3650 MHz band
- Most do ***not*** rely on federal subsidies



# Exclusive WISP Areas



# WISPs and USF

- Standalone broadband providers are *not* providers of “telecommunications services”
  - Most are not ETCs and are ineligible for USF support
- Many WISPs have begun offering interconnected VoIP
  - VoIP quality based on network design, not technology platform
- WISPs have suffered under a system that funds competitors that use USF support to subsidize broadband

# WISPs and USF

## **WISPA's Message**

If WISPs cannot receive CAF support, then . . .

. . . we don't want our competitors to get it so they can compete with us in areas we already serve, and

. . . we want the opportunity to compete for other funding sources on an even playing field, and

. . . we shouldn't have to contribute to the system.



# WISPs and USF

- If WISPs cannot receive CAF support . . .
  - FCC should grant WISPA's 2011 petition for reconsideration to ensure that CAF funds do not subsidize areas where unsubsidized voice **and** unsubsidized broadband are each offered by different entities
    - Focus on the services available to an end user, not on whether a single company offers both voice and broadband services
    - FCC's failure to act on petition while adopting funding rules has resulted in *de facto* denial
  - Funding recipients should be required to offer interconnection to enable “self-provisioning” of broadband in adjacent unsubsidized areas



## WISPs and USF

- . . . we don't want our competitors to get it so they can compete with us in areas we already serve . . .
  - FCC has adopted fair and technology-neutral CAF challenge rules
  - Wireline Bureau refused to allocate \$80 million of \$98 million requested by price cap carriers in Round 2 of Phase I because of presence of broadband competitors (mostly cable and WISPs)
  - Concerns remain about Phase II authority and implementation

# WISPs and USF

- . . . we want the opportunity to compete for other funding sources on an even playing field . . .
  - ETC requirement is barrier to WISP participation in CAF programs, but can be overcome by . . .
    - Forbearance from enforcement, or
    - Streamlined nationwide ETC designation, or
    - Deeming interconnected VoIP providers as “telecommunications carriers” for limited purposes, or
    - Direct subsidies to consumers
  - FCC should apply all or most unused Phase I funds to either the Remote Areas Fund or the rural broadband experiment program
  - Rules for rural broadband program should be fair and non-discriminatory
    - Rate-of-return carriers should not be accorded preferential eligibility
    - Rules should favor experiments that are most cost-effective

## WISPs and USF

- . . . and we shouldn't have to contribute to the system.
  - Unfair for WISPs to pay into CAF when they are ineligible to receive CAF subsidies
  - Inequitable for small WISPs to subsidize larger, well-financed broadband competitors
  - Will result in higher costs for consumers as contributions are passed through

# Remote Areas Fund

- “Portable consumer subsidy” (voucher) system for RAF in both price cap and rate-of-return areas
  - One-time payment of \$500 directly to consumers in extremely high-cost areas to subsidize installation costs
    - \$200 subsidy inadequate, far below \$775 for CAF Phase I areas that are not remote
  - Consumer can choose provider and technology
  - Reduces administrative overhead
  - Encourages cost-efficient deployment